

February 4, 2003

Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**JOINT RESOLUTION BETWEEN THE COUNTY OF LOS ANGELES, THE CITY
COUNCIL OF THE CITY OF PALMDALE AND OTHER TAXING ENTITIES
APPROVING AND ACCEPTING THE NEGOTIATED EXCHANGE OF PROPERTY
TAX REVENUE AS A RESULT OF THE PROPOSED ANNEXATION NO. 2000-01A
TO THE CITY OF PALMDALE AND ANNEXATION OF THE WESTERLY PORTION
OF THE ANNEXATION AREA TO COUNTY WATERWORKS DISTRICT NO. 40**

(SUPERVISORIAL DISTRICT 5) (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the attached Joint Resolution between your Board, the City Council of the City of Palmdale, and other affected taxing entities based on the negotiated exchange of property tax revenue, as a result of: 1) the proposed annexation of approximately 977 acres of unincorporated territory to the City, and 2) annexation of the westerly portion to County Waterworks District No. 40.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On December 11, 2002, the Palmdale City Council adopted the attached Joint Resolution based on the negotiated exchange of property tax revenue resulting from the proposed annexation of approximately 977 acres of unincorporated territory consisting of 80 single family residences and approximately 372 acres of vacant land.

The Honorable Board of Supervisors
February 4, 2003
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In order for the Local Agency Formation Commission (LAFCO) of Los Angeles County to proceed with the required hearings on the proposed annexation, your Board, as the governing body of the County, acting on behalf of the Public Library, Road District No. 5, and Waterworks District No. 40, must adopt the attached Joint Resolution.

FISCAL IMPACT/FINANCING

The adopted Resolution will transfer from the County to the City of Palmdale the statutorily prescribed property tax increment (7 percent before Educational Revenue Augmentation Fund adjustment) attributable to the annexation area. The Resolution will also transfer a portion of the annual property tax increment from each of the other affected taxing entities to Waterworks District No. 40. The property tax transfers will become effective Fiscal Year 2004-05.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Pursuant to Part 3, Division 3, Title 5 of the California Government Code, commencing with Section 56000, the City adopted a resolution and filed its application with LAFCO on October 22, 2001 to initiate proceedings for annexation of approximately 977 acres of unincorporated territory to the City and annexation of the westerly portion to Waterworks District No. 40.

Section 99 of the Revenue and Taxation Code (R & T Code) requires that prior to the effective date of any jurisdictional change, the governing bodies of all agencies whose service area or service responsibilities will be altered by such change must negotiate a reallocation of property tax revenue between the affected agencies, and approve and accept such reallocation by resolution. The City of Palmdale and the other independent taxing agencies have adopted the negotiated Joint Resolution, as required by Section 99 of the R & T Code. Adoption of the Resolution by your Board will allow LAFCO to schedule the required public hearing to consider testimony on the proposed annexation. LAFCO will subsequently take action to approve, approve with changes or disapprove the proposal.

The Joint Resolution has been approved as to form by County Counsel.

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CONCLUSION

At such time as the recommendation is approved by your Board, please return one copy of the letter and five signed originals of the Resolution to LAFCO, three approved copies of this letter and one signed original Resolution to the Chief Administrative Office, Office of Unincorporated Area Services and Special Projects, and one copy of the approved letter and Resolution to the Auditor-Controller, Tax Division.

Respectfully submitted,

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:LS
DD:MJS:os

Attachment

**JOINT RESOLUTION OF
THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES
AND THE CITY COUNCIL OF THE CITY OF PALMDALE AND THE BOARDS OF
DIRECTORS OF ANTELOPE VALLEY MOSQUITO AND VECTOR CONTROL
DISTRICT, ANTELOPE VALLEY RESOURCE CONSERVATION DISTRICT, AND
THE ANTELOPE VALLEY-EAST KERN WATER AGENCY APPROVING AND
ACCEPTING THE NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUE
RESULTING FROM "ANNEXATION NO. 2000-01A" TO THE CITY OF PALMDALE
AND DETACHMENT FROM THE COUNTY PUBLIC LIBRARY AND
COUNTY ROAD DISTRICT NO. 5 AND ANNEXATION OF THE WESTERLY
PORTION OF "ANNEXATION 2000-01A" TO WATERWORKS DISTRICT NO. 40**

WHEREAS, pursuant to Section 99 of the Revenue and Taxation Code, for specified jurisdictional changes, the governing bodies of an affected County and other affected local agencies shall negotiate and determine the amount of property tax revenue to be exchanged between the affected agencies; and

WHEREAS, the area proposed to be annexed in "Annexation No. 2000-01A" consists of approximately 977 acres of unincorporated territory; and the westerly portion of the annexation area proposed to be annexed to Waterworks District No. 40 consists of approximately 372 acres.

WHEREAS, the Board of Supervisors as the governing body of the County of Los Angeles and Waterworks District No. 40, the City Council of the City of Palmdale and the respective Board of Directors of the Antelope Valley Mosquito and Vector Control District, Antelope Valley Resource Conservation District, and the Antelope Valley-East Kern Water Agency have determined the amount of property tax revenues to be exchanged between their respective agencies as a result of the annexation of unincorporated territory to the City of Palmdale identified as "Annexation No. 2000-01A" and detachment from the County Library and County Road District No. 5, and annexation of the westerly portion of the annexation area to Waterworks District No. 40, is as set forth below:

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The negotiated exchange of property tax revenue among the County of Los Angeles, the City of Palmdale, Antelope Valley Mosquito and Vector Control District, Antelope Valley Resource Conservation District, and the Antelope Valley-East Kern Water Agency resulting from "Annexation 2000-01A" is approved and accepted.

2. The Auditor-Controller shall calculate the amount of base property tax revenue to be transferred from the County to the City for the fiscal years commencing on or after July 1, 2003, or the July 1 after the effective date of this jurisdictional change, whichever is later. The amount of base property tax revenue to be transferred shall equal the amount of taxes generated by the 1 percent base levy, attributable to the

annexation area, multiplied by a rate that equals 7 percent before Educational Revenue Augmentation Fund (ERAF) adjustments.

3. For each fiscal year commencing on or after July 1, 2003, or the July 1 after the effective date of this jurisdictional change, whichever is later, a portion of the annual tax increment attributable to the City of Palmdale “Annexation No. 2000-01A” area equal to 7 percent, before ERAF adjustments, shall also be transferred from the County of Los Angeles to the City of Palmdale.

4. For fiscal years commencing on or after July 1, 2003, or the July 1 after the effective date of this jurisdictional change, whichever is later, all property tax revenue received by the County Road District No. 5 attributable to “Annexation No. 2000-01A” shall be transferred to the County of Los Angeles.

5. For fiscal years commencing on or after July 1, 2003, or the July 1 after the effective date of this jurisdictional change, whichever is later, all property tax revenue received by the County Public Library attributable to the Palmdale “Annexation No. 2000-01A” area shall be transferred to the County of Los Angeles.

6. For fiscal years commencing on or after July 1, 2003 or the July 1 after the effective date of this jurisdictional change, whichever is later, a portion of the annual property tax growth, as specified in the Attachments, shall be transferred to Waterworks District No. 40 as a result of the annexation of the westerly portion of “Annexation No. 2000-01A” to the District. The other taxing entities share in each of the affected Tax Rate Areas shall be adjusted as specified in the Attachments. Subsequent to the adjustments of the annual tax increment between the County of Los Angeles and City of Palmdale as a result of “Annexation 2000-01A”, the Auditor-Controller shall calculate an amount of the annual tax increment to be transferred from the City of Palmdale to the County General Fund that represents the City’s proportional contribution to Waterworks District No. 40 that was previously transferred from the County General Fund to Waterworks District No. 40.

7. In the event that all or a portion of the annexation area is included within a redevelopment project pursuant to California Community Redevelopment Law, Health & Safety Code Sections 33000 et seq., the City of Palmdale shall not adopt the ordinance approving the redevelopment plan with respect to the annexed area until such time as the Redevelopment Agency of the City of Palmdale has diligently and in good faith complied with all applicable provisions of the California Community Redevelopment Law, including but not limited to, Health & Safety Code Section 33670 or any other relevant provision of the law. Any ordinance approving a redevelopment project which does not comply with this paragraph shall be void and of no effect with regard to the subsequent allocation and distribution of taxes to the Redevelopment Agency.

PASSED, APPROVED AND ADOPTED this _____ day of _____, 2002
by the following vote:

AYES: ABSENT:

NOES: ABSTAIN:

Mayor, City of Palmdale

ATTEST:

City Clerk

The foregoing resolution was on the _____ day of _____, 2002, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

VIOLET VARONA-LUKENS, Executive Officer
Clerk of the Board of Supervisors
Of the County of Los Angeles

By _____
Deputy

APPROVED AS TO FORM
BY COUNTY COUNSEL

LLOYD W. PELLMAN

By _____
Thomas J. Faughnan, Deputy

PASSED, APPROVED AND ADOPTED this _____ day of _____, 2002
by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chairperson, Board of Directors
Antelope Valley Mosquito and Vector Control District

ATTEST:

Secretary

(SIGNED IN COUNTERPART)

PASSED, APPROVED AND ADOPTED this _____ day of _____, 2002
by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chairperson, Board of Directors
Antelope Valley Resource Conservation District

ATTEST:

Secretary

(SIGNED IN COUNTERPART)

PASSED, APPROVED AND ADOPTED this _____ day of _____, 2002
by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chairperson, Board of Directors
Antelope Valley-East Kern Water Agency

ATTEST:

Secretary

(SIGNED IN COUNTERPART)

CITY OF PALMDALE ANNEXATION 2000-01A - ANNEXATION OF WESTERLY PORTION TO WATERWORKS DISTRICT NO. 40
PROPERTY TAX TRANSFER RESOLUTION WORKSHEET

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Annexation To: Waterworks District No. 40
Acct No. 47.04
AFFECTED TRA: 6980

Amount of Property Taxes for Distribution 0.014675997
2000-01 Tax Share Ratio in Adjacent TRA 05871

Accnt No. Taxing Agency	(1) Current Tax Share	(2) Percent	(3) Proposed Dist Share	(4) Alloc of Dist Share	(5) Allocation Adjustments	(6) New Net Share
1.05 Los Angeles County General Fund	0.283077103	28.3077%	0.014675997	0.004154439	-0.004156447	0.278920656
1.20 Los Angeles County Accum Cap	0.000136847	0.0137%	0.014675997	0.000002008	0.000000000	0.000136847
3.01 L.A. County Library	0.029219119	2.9219%	0.014675997	0.000428820	-0.000428820	0.028790299
5.25 Road District No. 5	0.007551770	0.7552%	0.014675997	0.000110830	-0.000110830	0.007440940
7.30 Cons.Fire Pro. Dist. of L.A. Co.	0.185810671	18.5811%	0.014675997	0.002726957	-0.002726957	0.183083714
7.31 L.A.C. Fire FFW	0.005720298	0.5720%	0.014675997	0.000083951	-0.000083951	0.005636347
61.05 Antelope Valley Mosquito & Vector	0.002115155	0.2115%	0.014675997	0.000031042	-0.000031042	0.002084113
68.05 Antelope Valley Soil Conser Dist	0.001134103	0.1134%	0.014675997	0.000016644	-0.000016644	0.001117459
300.10 Antelope VY. - East Kern Water Agy	0.023006079	2.3006%	0.014675997	0.000337637	-0.000337637	0.022668442
400.00 ERAF	0.048928129	4.8928%	0.014675997	0.000718069	Exempt	0.048928129
400.01 ERAF Impound	0.128570214	12.8570%	0.014675997	0.001886896	Exempt	0.128570214
400.15 County School Services	0.001698794	0.1699%	0.014675997	0.000024931	Exempt	0.001698794
400.21 Children's Inst. Tuition Fund	0.003370848	0.3371%	0.014675997	0.000049471	Exempt	0.003370848
593.01 Palmdale School District	0.060398430	6.0398%	0.014675997	0.000886407	Exempt	0.060398430
593.06 Co Sch Serv Fd - Palmdale	0.010721280	1.0721%	0.014675997	0.000157345	Exempt	0.010721280
593.07 Dev Ctr Hdcpd Minor Palmdale	0.001016131	0.1016%	0.014675997	0.000014913	Exempt	0.001016131
717.02 Antelope Valley Union High Sch.	0.117223100	11.7223%	0.014675997	0.001720366	Exempt	0.117223100
717.06 Co. Sch. Serv. Fd.- Antelope Valley	0.000430990	0.0431%	0.014675997	0.000006325	Exempt	0.000430990
717.08 Antelope Union Hi - K P S - Elem	0.057321725	5.7322%	0.014675997	0.000841253	Exempt	0.057321725
792.04 Antelope Vy. Jt. Comm. Coll.	0.032549214	3.2549%	0.014675997	0.000477692	Exempt	0.032549214
47.04 Waterworks District No. 40	0.000000000	0.0000%	0.014675997	0.000000000	0.000000000	0.007892328
Total	1.000000000	100.0000%		0.014675997	-0.007892328	1.000000000

- (1) Current share as reflected in the Auditor's ATI distribution in AF 49.
(2) Must total 100%.
(3) Waterworks District #40 share in Adjacent TRA 05871
(4) Must total share reflected in Column (3).
(5) Reflects exemption for school entities
(6) Final share distributions to be reflected in Tax Transfer Resolution.

CITY OF PALMDALE ANNEXATION 2000-01A - ANNEXATION OF WESTERLY PORTION TO WATERWORKS DISTRICT NO. 40
PROPERTY TAX TRANSFER RESOLUTION WORKSHEET

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Annexation To: Waterworks District No. 40
Acct No. 47.04
AFFECTED TRA: 7069

Amount of Property Taxes for Distribution 0.014675997
2000-01 Tax Share Ratio in Adjacent TRA 05871

Acct No.	Taxing Agency	(1) Current Tax Share	(2) Percent	(3) Proposed Dist Share	(4) Alloc of Dist Share	(5) Allocation Adjustments	(6) New Net Share
1.05	Los Angeles County General Fund	0.258519919	25.8520%	0.014675997	0.003794038	-0.003796079	0.254723840
1.20	Los Angeles County Accum Cap	0.000139089	0.0139%	0.014675997	0.000002041	0.000000000	0.000139089
3.01	L.A. County Library	0.029757625	2.9758%	0.014675997	0.000436723	-0.000436723	0.029320902
5.25	Road District #5	0.007667653	0.7668%	0.014675997	0.000112530	-0.000112530	0.007555123
7.30	Consol Fire Pro Disti of L.A. Co.	0.185810671	18.5811%	0.014675997	0.002726957	-0.002726957	0.183083714
7.31	L A C Fire-FFW	0.005930469	0.5930%	0.014675997	0.000087036	-0.000087036	0.005843433
30.10	L.A. Co. FI Con Dr Imp Dist Maint	0.002323372	0.2323%	0.014675997	0.000034098	-0.000034098	0.002289274
30.70	L.A. Co Flood Control Maint	0.013149398	1.3149%	0.014675997	0.000192981	-0.000192981	0.012956417
61.05	Antelope Vly Mosq & Vector Contr	0.002151569	0.2152%	0.014675997	0.000031576	-0.000031576	0.002119993
68.05	Antelope Valley Soil Conser Dist	0.001151925	0.1152%	0.014675997	0.000016906	-0.000016906	0.001135019
300.10	Antelope Vy - East Lerm Water Agy	0.023359564	2.3360%	0.014675997	0.000342825	-0.000342825	0.023016739
400.00	Educational Rev Augmentation Fd	0.048912880	4.8913%	0.014675997	0.000717845	Exempt	0.048912880
400.01	ERAF Impound	0.132023381	13.2023%	0.014675997	0.001937575	Exempt	0.132023381
400.15	County School Services	0.001724211	0.1724%	0.014675997	0.000025305	Exempt	0.001724211
400.21	Children's Inst. Tuition Fund	0.003422687	0.3423%	0.014675997	0.000050231	Exempt	0.003422687
593.01	Palmdale School District	0.061325289	6.1325%	0.014675997	0.000900010	Exempt	0.061325289
593.06	Co Sch Serv Fd - Palmdale	0.010885689	1.0886%	0.014675997	0.000159758	Exempt	0.010885689
593.07	Dev Ctr Hdcpd Minor Palmdale	0.001032443	0.1032%	0.014675997	0.000015152	Exempt	0.001032443
717.02	Antelope Valley Union High Sch.	0.119023241	11.9023%	0.014675997	0.001746785	Exempt	0.119023241
717.06	Co. Sch. Serv. Fd.- Antelope Valley	0.000437486	0.0437%	0.014675997	0.000006421	Exempt	0.000437486
717.08	Antelope Vy Un Hi - K P S - Elem	0.058202225	5.8202%	0.014675997	0.000854176	Exempt	0.058202225
792.04	Antelope Vy. Jt. Comm. Coll.	0.033049214	3.3049%	0.014675997	0.000485030	Exempt	0.033049214
47.04	Waterworks District No. 40	0.000000000	0.0000%	0.014675997	0.000000000	0.000000000	0.007777710
Total		1.000000000	100.0000%		0.014675997	-0.007777710	1.000000000

(1) Current share as reflected in the Auditor's ATI distribution in AF 49.

(2) Must total 100%.

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